

REMARKS

- Claims **28-30**, and **33-49** are pending herein
- Claims **28-30** and **35** have been amended
- Claims **36-49** have been added
- Claims **28-30** and **33-35** are independent

Claims **30** and **35** have been amended to make explicit that the predetermined time period was “after the first transaction.”

The preambles of claims **28** and **29** were amended to correct an inadvertent error. No amendment was made for a reason related to patentability.

A. DOUBLE PATENTING REJECTION

Claims **28-30** and **33-35** stand “rejected under the judicially created doctrine of obviousness-type double patenting” as being unpatentable over specified claims of U.S. Patent No. 6,687,679.

While we do not agree with this rejection, a terminal disclaimer is filed concurrently herewith solely to expedite the prosecution of the present application. Accordingly, the double patenting rejection of Claims **28-30** and **33-35** is moot.

B. SECTION 102(b) REJECTION

Claims 28 and 33 stand rejected under 35 U.S.C. 102(b) as being anticipated by U.S. Patent No. 5,687,322 issued to Deaton et al. (“Deaton”). We respectfully traverse the Examiner’s Section 102(b) rejection.

1. Independent Claims 28 and 33

We respectfully submit that Claims 28 and 33 are not anticipated by Deaton. Deaton does not teach or suggest all of the features of independent Claims 28 and 33.

(a) Deaton Does Not Disclose All the Limitations of Independent Claim 28 and 33

As best understood by us, the Examiner asserts the following to be true with respect to independent Claims 28 and 33:

Deaton discloses:

- *determining a second discount based on the first discount, the customer rating and the time of the transaction* (Current Office Action, page 3 (citing Deaton, column 69, lines 35-43 and column 73, lines 23-25))
- *applying the second discount to the transaction* (Current Office Action, page 3 (citing Deaton, column 73, lines 9-12))

We respectfully traverse these assertions. We have carefully reviewed the Deaton reference cited by the Examiner, without finding a teaching or suggestion of *determining a second discount based on the first discount, the customer rating and the time of the transaction*, much less *applying the second discount to the transaction*.

Independent Claims 28 and 33 generally recites *determining a second discount based on the first discount, the customer rating and the time of the transaction*. In contrast, and contrary to the Examiner's assertion, Deaton is devoid of any hint or suggestion of *determining a second discount based on the first discount* as recited in independent Claims 28 and 33. In fact, the Examiner concedes “Deaton et al fail to explicitly disclose receiving a first discount associated with the customer.” [Current Office Action, page 3]. Consequently, Deaton cannot teach *determining a second discount* if, as the Examiner has stated, Deaton does not receive a first discount because the former is necessarily based on the latter.

Further, Deaton fails to teach or suggest *applying the second discount to the transaction* as asserted by the Examiner. According to one described embodiment “[i]f the time elapsed since the last transaction is within the required time period, the customer’s discount, which is stored in the frequent shopper database 422 (FIG. 4), may be incremented, thereby updating the discount. The discount is then applied to the current transaction in step 1110.” [Specification, page 20, lines 8 - 12]. Further embodiments disclose that “[t]he process 1500 is performed at a time when a customer is present at a POS terminal 110, 120, or 130 (FIG. 1) and participating in a transaction. The process 1500 also includes a step of applying the updated discount to the customer’s current transaction.” [Specification, page 25, line 32 to page 26, line 4].

Thus, some embodiments of the instant application are directed to determining a discount based on information about a particular transaction (e.g., a time of the transaction) **and** a first discount **and** a

customer rating **and** applying the determined discount to **the same transaction**. In contrast, as noted by the Examiner, Deaton describes determining discounts and coupons that are only applicable to **future** transactions:

The present system may also be used to lay out **future coupons** such that incentives are decreased or increased in order to maintain certain required levels of spending. [Deaton, column 73, lines 23-25](emphasis added)

Alternatively, an electronic incentive could be stored in the processor for in use conjunction with the user's identification such that credit can be automatically given at the **subsequent** purchase times. [Deaton, column 73, lines 9-12](emphasis added)

As such, even if Deaton teaches *determining a second discount* based on information about a transaction, Deaton fails to suggest *applying the second discount to the transaction* because Deaton applies any determined discount to a different transaction in the future.

Accordingly, there is nothing in Deaton that would suggest *determining a second discount based on the first discount, the customer rating and the time of the transaction*, much less *applying the determined second discount to the same transaction*. Nothing in Deaton suggests first 1) *determining a second discount based on the first discount* and then 2) *applying the determined second discount to the **same** transaction*. As such, Deaton is unable to anticipate independent Claims 28 and 33 as Deaton fails to teach every limitation of the independent claims.

C. SECTION 103(a) REJECTIONS

Claims **29-30** and **34-35** stand rejected under 35 U.S.C. 103(a) as being unpatentable over Deaton, and further in view of “ordinary skill in the art.” We respectfully traverse the Examiner’s Section 103(a) rejection.

1. Independent Claims 29 and 34

We respectfully submit that independent Claims **29** and **34** are not obvious in light of Deaton. First, no combination of Deaton and “ordinary skill in the art” teaches or suggests all of the features of independent Claims **29** and **34**.

Second, there is no suggestion or motivation, either in the cited references or in the knowledge generally available to one of ordinary skill in the art, to modify or to combine the cited reference to provide for all of the claimed features of independent Claims **29** and **34**.

**(a) The References Do Not Disclose All the
Limitations of Independent Claims 29 and 34**

As best understood by us, the Examiner asserts the following to be true with respect to independent Claims **29** and **34**:

(a) Deaton discloses:

- *determine a second discount based on the first discount, and the customer rating* (Current Office Action, page 5 (citing Deaton, column 69, lines 35-43 and column 73, lines 23-25))
- *applying the second discount to the transaction if the time of the transaction is within a predetermined time period* (Current Office

Action, page 5 (Citing Deaton, column 73, lines 9-12 and column 102 line 66 to column 103, line 5)

We respectfully traverse these assertions for the reasons stated above with respect to the Examiner's Section 102 rejection. We have carefully reviewed the Deaton without finding a teaching or suggestion of *determining a second discount based on the first discount, and the customer rating, much less applying the second discount to the transaction if the time of the transaction is within a predetermined time period.*

As stated above, the Examiner concedes "Deaton at al fails to explicitly disclose receiving a first discount associated with the customer." (Current Office Action, page 3). The Examiner further concedes "Deaton et al fails to explicitly disclose that the second discount is based on the first discount and the customer rating, or that the second discount is greater than the first discount." (Current Office Action, page 6). Consequently, Deaton cannot *determine a second discount based on the first discount* because it does not receive the first discount at all.

We respectfully submit that the Deaton does not disclose all of the limitations of independent Claims 29 and 34. Accordingly, the Examiner has failed to establish a *prima facie* case of obviousness of independent Claims 29 and 34.

(b) No Motivation to Modify the Cited References

As best understood by us, the Examiner also asserts the following to be true with respect to independent Claims 29 and 34:

- (a) It would have been obvious to one of ordinary skill in the art to modify Deaton to provide for a feature of *determining a*

second discount based on a first discount and the customer rating, the second discount being greater than the first discount

- (b) The motivations for this modification in (a) above would be the addition of storing and receiving to an from the database the first or previous discount earned by the customer thereby providing a base discount from which to increase future discounts based on the customer rating in order to entice more valuable customer [sic] to increase their spending (Current Office Action, page 6).

Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. MPEP 706.02(j). In re Fine, 5 USPQ2d 1596 (Fed. Cir. 1988); In re Jones, 21 USPQ2d 1941 (Fed. Cir. 1992).

In view of the above, the Examiner must show that the prior art of record provides the motivation of (b) above. MPEP 2143. Further, the Examiner must show that the asserted subject matter of (b) above includes a teaching, suggestion, or motivation to make the proposed modification of the asserted teachings of the prior art to produce the specific features of the claimed invention.

(i) The Asserted Motivation is Not Shown in the Cited References

We have carefully reviewed the Office Action issued in the present application, as well as Deaton without finding a motivation anywhere in the

record that suggests the desirability of modifying the cited references in the manner proposed by the Examiner. Specifically, contrary to the Examiner's assertion, there is no suggestion in Deaton to increase a second discount based on a first discount for a "more valuable customer" nor is there any need to modify Deaton to provide for "the addition of storing and receiving to and from the database the first or previous discount."

The Examiner does not assert otherwise. The Examiner's statement thus amounts to no more than a conclusory statement of a generalized advantage ("to entice more valuable customer") and an unsupported allegation about what was known to those of ordinary skill.

We respectfully submit that there is no suggestion in the prior art of record to modify the particular asserted teachings of the prior art to provide for all of the features of independent Claims **29** and **34**. Accordingly, we respectfully submit that the Examiner has failed to establish a *prima facie* case of obviousness of independent Claims **29** and **34**.

For at least the reasons stated herein, we respectfully request allowance of the pending Claims **29** and **34**.

7. Independent Claims 30 and 35

We respectfully submit that independent Claims **30** and **35** are not obvious in light of Deaton for the same reasons stated above with respect to independent Claims **29** and **34**.

In particular, the limitation of Claims **30** and **35** contain the additional limitations of:

- *set a second discount based on the first discount and the customer rating, the second discount being greater than the first discount*
- *applying the second discount to the second transaction if the time of the second transaction is within a predetermined time period.* (emphasis added for clarification).

Consequently, the arguments presented above regarding the failure of Deaton to disclose “receiving a first discount associated with the customer” and “that the second discount is based on the first discount and the customer rating, or that the second discount is greater than the first discount” may also be properly made with respect to Claims 30 and 35.

For at least the reasons stated herein, we respectfully request allowance of the pending Claims 30 and 35.

D. NEW CLAIMS 36-49 ARE ALLOWABLE

Each of new dependent Claims 36-49 depends (directly or indirectly) from one of independent Claims 28 or 33 and is believed to be allowable for at least the reasons stated above with respect to those claims.

1. No teaching or suggestion of a *grace period*

In addition, each of new Claims 36 and 43 includes a feature generally directed to *determining a grace period based on the customer rating*. Nothing in Deaton hints at a *grace period*, much less *determining a grace period based on a customer rating*.

Each of new Claims **37-40** and **44-47** depends from Claim **36** or Claim **43**, respectively, and is believed to be allowable for at least the same reason.

- 2. No teaching or suggestion of applying a discount that is determined when a customer is participating in a transaction at a point-of-sale terminal to that same transaction**

New Claims **41, 42, 48 and 49** each generally recite *wherein the determining of the second discount is when the customer is participating in a transaction at a point-of-sale terminal and the determined discount is applied to the that same transaction*. As discussed above, Deaton does not suggest applying a discount determined based on information about a transaction to that same transaction. Accordingly, each of Claims **41, 42, 48 and 49** is allowable over Deaton.

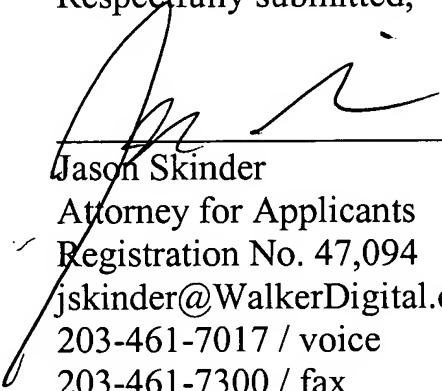
CONCLUSION

It is submitted that all of the claims are in condition for allowance. The Examiner's early re-examination and reconsideration are respectfully requested.

If the Examiner has any questions regarding this amendment or the present application, the Examiner is cordially requested to contact Jason Skinder at telephone number 203-461-7017 or via electronic mail at jskinder@walkerdigital.com.

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